

SENATE BILL REPORT

SJR 8211

As Reported By Senate Committee On:
Transportation, January 29, 2007

Brief Description: Increasing state indebtedness limits for transportation projects.

Sponsors: Senators Haugen, Swecker, Marr, Kauffman and Murray.

Brief History:

Committee Activity: Transportation: 1/24/07, 1/29/07 [DPS, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Joint Resolution No. 8211 be substituted therefor, and the substitute joint resolution do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Murray, Vice Chair; Swecker, Ranking Minority Member; Berkey, Jacobsen, Kastama, Kauffman, Kilmer, Sheldon and Spanel.

Minority Report: Do not pass.

Signed by Senators Clements, Delvin and Holmquist.

Staff: David Ward (786-7341)

Background: Article VIII, Section 1 of the state constitution limits the contracting of state debt to a term of not more than 30 years. State statute limits the term of local government issued debt to not more than 40 years and requires that debt issued under such terms shall not exceed the useful life of the asset being acquired.

Summary of Bill: The bill as referred to committee was not considered.

SUMMARY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Transportation): Amends the state constitution to allow the state to issue transportation related debt for terms of up to 40 years.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect upon ratification by the majority of voters at the next general election.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff Summary of Public Testimony: PRO: A constitutional amendment allowing the state to issue bonds for transportation projects with maturities of up to 40 years would improve the state's borrowing capacity for high-cost infrastructure problems. When you're talking about assets with useful lives approaching 75 to 100 years, it just makes sense that the Legislature would make available another tool that would allow for the public financing of critical transportation infrastructure projects.

Persons Testifying: PRO: Dick Ford, Transportation Commission.